

St. Croix Real Estate reviews

Featuring real estate market updates and local news of St. Croix, USVI

OCTOBER-II 2009

BEACH RE-NOURISHMENT

The developers of the William and Punch property on the west end of St. Croix hope to break ground for the 378-room Amalago Bay Resort and Casino by next spring after reaching a compromise agreement to extend the property's beachfront with the Coastal Zone Management Commission (CZM).



Under the agreement, the developers will be permitted to extend the beach into the Caribbean Sea by an average of 46 feet. In an earlier decision, the CZM denied the developers permission to extend the beach seaward.

The CZM reversed its decision after an environmental consultant testified that the sea area in question did not support any large corals or significant marine life. Chris Elliot, an investor in the proposed resort, added that the beach extension and restoration will make it more conducive to turtle nesting, which it currently is not.

Sand for the renourishment will be supplied from construction of the project, and the beach will be restored to its pre-1996 condition when Hurricane Lenny washed away much of the beach.

In addition to a 378-room hotel, the development plans feature a 64-slip marina, an 18-hole championship golf course, a 30,000-square foot casino and 36,000-square feet of retail space, restaurants, a spa and nightclub.

The developers still have to obtain a permit from the U.S. Army Corps of Engineers as well as enter a land-swap agreement with the Virgin Islands Government. Both the CZM permit and the land-swap agreement will require approval from the Virgin Islands Legislature.

V.I. COMMEMORATIVE QUARTER



The official release of the Virgin Islands Commemorative Quarter was celebrated at a launch ceremony hosted by the Office of the Governor on Friday, October 9, 2009 on St. Thomas.

Commemorative quarters for the U.S. Virgin Islands, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the District of Columbia are being issued by the U.S. Mint in equal, sequential intervals throughout 2009. More

than 500 million Virgin Islands Commemorative Quarters will be produced and released for circulation this year. Scotiabank will have the new Virgin Islands quarter available for sale in commemorative packaging.

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Dear Friends,

Through the wonders of the Internet I'm writing this to you from the crisp, clear city of Salt Lake. My daughter just had her second child, a sweet little girl, and I couldn't miss that event, so I'm out here soaking up all the "Nana" love I can get and best of all, give. I will spare you the photos!!!



Lorine Williams

For you in the states I'm not going to tell you anything you don't know or don't see every day but being straight from little'ol protected, apparently largely isolated St. Croix, I'm truly amazed at the "For Sale" signs everywhere! One of the big anchor stores in a major shopping center is dark, thousand of sq footage just sitting idle, strip malls are vacant, residential streets are fully peppered with "For Sale or For Rent" signs. This is all in Salt Lake City, Utah where their unemployment rate is one of the lowest in the nation, hovering around 4-5 %. To imagine what it looks like in Detroit is beyond where I want to take my imagination.

What does this all mean for St. Croix? Number one I want to reiterate how grateful I am to live on St. Croix for the past quarter century, to walk the free, uncrowded open beaches every morning, take a dip in the pristine clean Caribbean Sea every day not just once in a life time or once every year when I have an annual vacation. I'm eternally grateful for this blessing.

If you take a look at the statistics on the back page you will see that our real estate market has been dramatically affected by the stateside economy. How could it not be? The actual number of sales in condos is literally one half as many as last year. That means the inventory is increasing because only one half of the previous amount is selling and more condos are coming on the market all the time. The good news is that it is a great time to buy a condo because many sellers are more flexible with their prices and you have so many to pick from and the interest rates are still at record lows!

The average price of a home has dropped approximately 6%. As you know, averages can be miss leading because it is just that, an average. That average includes the \$3.5 million dollar sale in Estate Solitude to the fixer upper in Estate Williams Delight for \$100k. The volume of home sales dropped from 137 to 102 for a drop of almost 28%.

While the average price of a condo has almost stayed the same, the drop in the actual number of sales has been dramatic. The decline was right at 50%. As a seller you want to make sure your condo is competitively priced, easy to show and looking sharp with no "wildlife" on those tile floors.

Land for sale, priced over \$40,000, has taken the most severe hit in numbers of actual sales. Last year to date there were 169 sales and this year to date we have only closed 75 parcels. That's a big hit at over 50%. The land prices have declined approximately 30%.

I'd like to urge you to call, email or write a quick note to your congressman to encourage him or her to extend the \$8000 first time home owners tax credit. The current credit expires on November 30th of this year. It has been a great stimulus to the housing market and we need it to continue.

As always, I appreciate the feedback I get from you in regard to these newsletters. "Keep those cards and letters coming!"

Have a wonderful fall! Go apple pickin' for me. I'll be taking a swim.

All the best,

Lorine R. Williams, GRI, CRS
2006 REALTOR of the YEAR

FEATURE PROPERTY OF THE MONTH

Dramatic and spectacular views from this pristine and extremely well maintained home featuring a versatile design. Suitable for two couples or extra family and friends. A total of 4 bedrooms, 3 baths, 2 kitchens which includes a detached cottage. New kitchen, granite counter, designer bath, shutters, generator, pool, huge outdoor decks, galleries, wet bar, active HOA. Great home or vacation rental.

MLS# 09-1814

\$739,000



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AIRFLIGHT INCREASE

The U.S.V.I. Department of Tourism has received commitments from US Airways for new weekly non-stop service from Boston's Logan International Airport to St. Thomas' Cyril E. King Airport. The service represents a new route for the carrier, which will operate on Saturdays beginning December 19, 2009 through April 23, 2010.

This new service follows recent commitments from American Airlines and Delta Air Lines for additional non-stop service to both the Henry E. Rohlsen Airport in St. Croix and the Cyril E. King Airport in St. Thomas to commence later this year.

In June, American Airlines shared plans to increase service to St. Croix from seven to 10 flights departing weekly from Miami. Meanwhile, Delta Air Lines announced the launch of daily non-stop service to St. Croix from Atlanta (up from four flights per week), as well as an increase in service to St. Thomas from Atlanta of up to four flights daily (up to 26 flights per week), and daily service to St. Thomas from John F. Kennedy International Airport, New York.

If your flight lands in St. Thomas, St. Croix is only 20 minutes away via seaplane.

The additional service on both American Airlines and Delta Air Lines will commence in December 2009. For more information about the United States Virgin Islands, go to VisitUSVI.com.

BONDS SELL OUT FAST

The V. I. Public Finance Authority sold \$458 million of matching fund bonds this week, providing \$86 million for capital projects and refinancing hundreds of millions of dollars in existing bonds.

Of the \$86 million, \$20 million is slated for road improvement projects, \$12 million for school improvements, \$9 million for emergency management, \$5 million for economic development investments, plus a wide range of other projects. The refinance bonds will save the government \$30 million in interest costs, according to a Government House statement.

The bonds were sold at an all-in cost of 4.51 percent for the 30-year bond issue, the lowest interest cost ever achieved on a long-term financing by the V. I. Government. "Investors eagerly put in orders for the bonds, and over \$2.3 billion of orders were received for the \$458 million sold," said Gov. John deJongh, Jr.

"This was a bond riot," said Guy Logan, the Citigroup banker who led the financing team. "Institutional and retail investors vote with their money, and today, the investment community demonstrated its full support for the Virgin Islands program to build its rum industry."

CRUZAN RUM TO EXPAND

The Virgin Islands government and Fortune Brands, the owner of Cruzan Rum, have entered into an agreement that, if approved by the Senate, will allow the distillery to expand on St. Croix, strengthening its brand and the local economy and providing additional funds to the government.

The agreement, if approved by the Legislature, also will ensure that Cruzan Rum remains on St. Croix for at least another 30 years.

Gov. John deJongh Jr. called the agreement "a very good agreement for the government and the people of the Virgin Islands," more than doubling the cover-over revenue collected by the territory from the sale of rum.

Under the new agreement, the company agrees to produce all of its Cruzan and Ronrico rums for sale in the United States at the St. Croix distillery for the life of the deal. The V. I. government will continue to share the cost of molasses and continue to invest a portion of the tax revenues generated from the sales of locally produced rum in growing Cruzan Rum and the Virgin Islands rum industry.

Finally, the V.I. government will provide financing for the construction of a state-of-the-art wastewater treatment plant and to expand capacity of the Cruzan distillery by more than 50 percent. The agreement calls for issuing as much as \$30 million in bonds for a wastewater treatment facility to address the long-standing environmental issues at the St. Croix facility, and another \$75 million in bonds to expand the capacity of the existing distillery.

PORT-OF-CALL

St. Croix will welcome a total of 24 cruise ship calls between October and December, according to the most recent schedule provided to the V.I. Department of Tourism.

The Adventure of the Seas will continue its current schedule visiting St. Croix every other Saturday through December 12 and resuming this schedule in January. The *Disney Magic* will make two more visits to St. Croix on October 13 and November 10 before the year's end. Royal Caribbean's *Serenade of the Seas* will resume regular calls beginning on November 16, and Celebrity Cruise Line's *Millennium*, *Mercury* and *Summit* will begin regular calls in October, November and December respectively. Holland America's *Maasdam* will make two calls while Oceania's *Regatta* and Crystal Cruise Line's *Serenity* will each make one call.

On all cruise ship days, passengers will be greeted on the Ann Abramson Pier by live musical entertainment and Department of Tourism greeters distributing island information, Cruzan Rum samples and USVI-branded souvenir gifts.

ST. CROIX REAL ESTATE MARKET WATCH

CLOSED SALES COMPARISON - 09/30/07-09/30/08 VERSUS 09/30/08-09/30/09

	2007-2008 SOLD	AVERAGE DAYS ON MARKET	AVERAGE PRICE	2008-2009 SOLD	AVERAGE DAYS ON MARKET	AVERAGE PRICE
Home Sales*	137	249	448,129	102	248	419,153
Condo Sales*	92	206	234,517	47	265	235,840
Land under \$39,999	79	287	28,820	58	209	30,153
Land over \$40,000	169	315	209,060	75	299	147,939
Commercial properties*	21	393	1,229,404	10	357	475,000

Information from the St. Croix Multiple Listing Service

*The average sales price and the average days on market could be skewed greatly by only one sale or because of the small number of annual sales.